



U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, DC 20207

Record of Commission Action
Commissioners Voting by Ballot*

Commissioners Voting: Chairman Hal Stratton
 Commissioner Thomas H. Moore
 Commissioner Mary Sheila Gall

ITEM:

Groupe SEB USA, f/k/a Krups North America \$500,000 Civil Penalty Settlement
(Briefing package dated June 3, 2004, OS No. 4525)

DECISION:

The Commission voted unanimously (3-0) to provisionally accept a Settlement Agreement and Order, which would order Groupe SEB USA f/k/a Krups North America ("Krups") to pay a civil penalty of \$500,000. The Commission Compliance staff alleged that Krups failed to timely report to the Commission that its coffeemakers are defective because loose electrical components can overheat and ignite the adjacent plastic filter carriage, creating a risk of fire, serious injury and death. The Compliance staff negotiated a proposed agreement of \$500,000 to settle these allegations that Krups violated the reporting requirements of section 15(b) of the Consumer Product Safety Act (CPSA), 15 U.S.C. § 2064(b). The failure to furnish information required by section 15(b) is a prohibited act under section 19(a)(4) of the CPSA, 15 U.S.C. § 2068(a)(4). Section 20(a)(1) of the CPSA, 15 U.S.C. § 2069(a)(1), permits the imposition of civil penalties for any person who knowingly violates section 19 of the CPSA by a company's failure to report information under section 15(b). The Commission may compromise such penalties, under section 20(c) of the CPSA, 15 U.S.C. § 2069(c), which sets forth the factors that the Commission must consider in determining the amount of a civil penalty.

For the Commission:

A handwritten signature in black ink, appearing to read "Todd A. Stevenson", is written over the printed name.

Todd A. Stevenson
Secretary

* Ballot vote due June 17, 2004